**GROVE MUNICIPAL SERVICES AUTHORITY**

**SPECIAL MEETING**

**TUESDAY, MARCH 24, 2015**

**1:30 PM**

The Grove Municipal Services Authority met in Special Session on Tuesday, March 24, 2015 at 1:30 PM with Chairman, Robert Plunk presiding. Members present were Bill Dyer, Berwin Kock, Kenneth Fitch and Don Nielsen. Also present was General Manager, Bill Keefer; Assistant General Manager, Debbie Bottoroff; City Treasurer, Lisa Allred; Public Works Director, Jack Bower and City Clerk, Bonnie Buzzard.

Plunk opened the floor for discussion with respect to reviewing options for water rates. Keefer reported that several meetings ago the Board entertained various options presented by Staff regarding various water rate options that might be considered to generate the revenue necessary to cover the new debt service payments for the water plant improvements. Keefer presented and discussed in detail the following new spreadsheets for the Board contemplation:

* Consumer Profile Report for inside / outside customers
* Multiple Unit Rates
* Proposed Water Rate Increase Options which indicated Options 1-12
* Debt Service Water Rates
* GMSA Debt Service Table – (payout bonds and notes)
* GMSA Debt Service Fund

Keefer reported that the Staff has been contacted by a property owner located outside of the City that has several master meters serving a number of housing units (cabins, RV pads, trailers, etc.) for which he gets charged a minimum fee ($21) per unit per our rate ordinance. His concern is basically that he maintains his water distribution system beyond our master meter and believes that it is not fair for GMSA to charge him for each unit. Keefer and Bower discussed the various options with the Board:

* Current Rate – $21 per unit includes 2,000 gallons of free water per unit
* Option #1 – 1 – $21 base charge for the master meter, a $.25 per 1,000 gallons rate increase - receive free water as allowed per the master meter with the balance of the water to be paid out per 1,000 gallons. Keefer noted that this option would leave GMSA a shortfall of $106,788.
* Option #2 – 1 base charge of $21 plus $7.50 per unit outside city limits and 2,000 gallons of free water per unit plus charged for additional water usage above the $2,000. Keefer noted that this option would leave GMSA a shortfall of $25,218

The Staff entertained questions, comments and concerns from the Board in regards to the Multiple Unit Rates. Dyer then made the motion to approve Option #1 which would omit the per unit fee and authorize one (1) fee per master meter upon recommendation to the Mayor and City Council. Seconded by Fitch. AYE: Dyer, Kock, Fitch, Nielsen and Plunk. NAY: None. Motion carried.

Keefer then reported that the Water Rate options supplied to them today is the same scenario that was presented to them in their previous meeting on 02-17-15. Keefer and Staff entertained questions, comments and concerns from the Board. After much discussion Kock made the motion to approve Option #10 that would permit an additional $1.00 per minimum rate charge, allow for 1,000 gallon of free water, increase the rate per 1,000 gallons by $0.40, and would supply a total of $397,300 for debt service. Seconded by Dyer. AYE: Dyer, Kock, Fitch, Nielsen and Plunk. NAY: None. Motion carried. Keefer added that he would create the Resolution enacting this increase for the next GMSA meeting for final passage.

At 3:00 PM Dyer made the motion to adjourn. Seconded by Nielsen. AYE: Dyer, Kock, Fitch, Nielsen and Plunk. NAY: None. Motion carried.